UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/25425
17 March 1993

ORIGINAL: ENGLISH

LETTER DATED 17 MARCH 1993 FROM THE CHARGE D'AFFAIRES A.I. OF THE PERMANENT MISSION OF YUGOSLAVIA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to transmit, enclosed herewith, the information of the Government of the Federal Republic of Yugoslavia on a number of violations of the arms embargo by Croatia in defiance of Security Council resolution 713 (1991).

I should be grateful if this letter were considered by the Security Council Committee established pursuant to resolution 724 (1991) concerning Yugoslavia and circulated as a document of the Security Council.

(Signed) Dragomir DJOKIC
Ambassador
Chargé d'affaires a.i.

Annex

The Government of the Federal Republic of Yugoslavia has in the past informed the Security Council on a number of violations of the arms embargo by Croatia in defiance of Security Council resolution 713 (1991).

On this occasion, the Government of the Federal Republic of Yugoslavia would like to advance certain information that reveal Croatia's involvement and role in illegal operations, at the international level, in smuggling militarily useful nuclear substances and technologies as well as various advanced weapons systems. In the past two years, Croatia has emerged as a major link in the international network for smuggling nuclear substances from Eastern Europe to the Middle East and Africa. Its primary role is to provide safe storage and false documentation to facilitate the illegal shipment of the nuclear materials.

1. At the end of 1991, an international network for smuggling nuclear weapons technology and materials from Eastern Europe to certain Arab countries was put in operation. Among the principal organizers in the network were Rita Draxler, a German and a certain Marjan Sokolovic. They were also major arms suppliers to Croatia and Slovenia. They brokered a deal of US$ 60 million for Stinger and Milan missiles from Germany to Croatia and a number of arms deals with Poland for approximately 50 tons of weapons for Croatia.

As a form of payment, Croatia was to assist in the smuggling of nuclear materials (uranium and plutonium). Croatia's role in this operation was to provide temporary safe storage and false documentation to facilitate further shipment. Marjan Sokolovic arranged safe storage and inspection facilities in Sibenik, Croatia. From there, the nuclear components and substances were driven on trucks to destinations in the Middle East.

In October 1991, Italian police in Como blocked the sale of certain nuclear materials, arranged through this network. However, the network still managed to ship the plutonium and a large payload of uranium to Sibenik, Croatia.

Marjan Sokolovic, whose role was revealed during the raid in Como, was arrested in November 1991 in Vienna, on his way to Croatia. When caught he was carrying 2.8 kilograms of plutonium. Nevertheless, he was released in early February 1992 and is back again in business.

Late in December 1991, the Italian police discovered yet another major shipment of 32 kilograms of plutonium in bars, brokered by Rita Draxler. This shipment was to be transported from the Ukraine via Austria and Italy to safe storage in Sibenik, Croatia, before being handed over to an Arab client. Italian police intercepted the shipment on 4 January 1992. Rita Draxler escaped to Germany before she could be captured.

There is reliable information that this network not only continued but expanded its activities during 1992. This was facilitated primarily through services provided by Croatia and the convenience of safe storage in Sibenik.

2. At the beginning of 1991, Anton Kikas, a Croatian with a Canadian passport, started an operation for the illegal purchase and supply of arms to Croatia. He brokered a deal between Croatia and German arms dealers for smuggling operations in conventional weapons and nuclear-related materials. Under the terms of this deal, Croatia provided temporary safe storage on its territory and false documents for highly sensitive shipments from Eastern Europe to Africa in return for the supply of arms and ammunition.

Anton Kikas established a charter aircraft company registered as Uganda Airlines Corporation (UAC) for the delivery of weapons to Croatia. During 1991, the UAC undertook a number of weapons-carrying flights between South Africa and Croatia via Ethiopia, as well as from Sofia to Zagreb carrying highly specialized cargoes, and subsequently also to and from other cities in Eastern Europe.

On 30 August 1991, the Yugoslav Air Force intercepted a UAC Boeing 707 (registration No. 5X-UCM) en route to Zagreb. The aircraft was carrying sizeable quantities of weapons and ammunition produced in South Africa.

As payment for the weapons, South Africa was to receive sophisticated military technology and other sensitive systems, in particular nuclear technology, advanced aerospace technology, electronics and new materials from German-based dealers. The Institute "Rudjer Boskovic" in Zagreb was in charge of the nuclear part of the deal. Hrvoje Sarinic, a close aide of President Tudjman and presently Prime Minister of Croatia, was overseeing cooperation and exchanges with South Africa.

In December 1991, German police in Regensburg seized a part of the shipment arranged by A. Kikas en route to Croatia, which included arms and ammunition produced in Poland. However, this smuggling ring was back in operation as early as January 1992.

3. In June 1992, Austrian police in Vienna seized a suitcase filled with various radioactive samples and arrested six persons involved in this operation. The shipment was on its way to Croatia from where it was intended to be transshipped to the ultimate purchaser in the Middle East.

4. The Republic of Croatia has recently published a study entitled "Site Selection of Radioactive Waste Repository in the Republic of Croatia", which is to be evaluated at the international symposium in Tucson, United States of America.

Nuclear waste is to be stored on locations in Western Slavonia, Banija and Kordun. All those sites are located in areas populated predominantly with Serbian local population which will be most directly endangered. Since these locations are in the Sava, Drava and Danube river basins, nuclear waste would also adversely affect the Federal Republic of Yugoslavia, Hungary, as well as Romania and Bulgaria.

The underlying objective of this undertaking is to disguise the role of Croatia in providing clandestine safe storage on its territory for smuggled nuclear substances.

All this information undoubtedly demonstrates that there are a few international networks for the smuggling of nuclear substances and arms through Croatia. As a form of payment for its services, Croatia is being supplied with arms and ammunition both from those international networks operating in Europe and in the Middle East. As of 1992, these operations have expanded and included also certain chemical and biological weapons.

Many banks and companies are involved in these deals. Money from illegal arms trade is deposited in Croatia's accounts in the Deutsche Bank and Dresdner Bank A.G. in Germany and the Erste Österreichische Sparkasse Bank in Austria.

The main front companies in Austria and Germany that are purchasing weapons for Croatia are: "Rita Draxler", Industry Enterprise, Meiz, Waggengrosshandel, Gebruder Scholler g.m. BG, DKS, Atlantic, Hirtenberg, Scorpion International Services S.A., Xandil International LTD Consulting, Electric Dalland, Weba, Faba, Foga, Franconia-JAGD.

There are also Zagreb-based front companies involved in the illegal arms trade, such as: Astra Import-Export Co., managed by Dr. Franjo Greguric, former Prime Minister of Croatia, Promedei, Como and Ribomaterijal.

The Government of Yugoslavia considers that this matter merits a thorough consideration and effective action by the Security Council and other relevant international organizations. The involvement of Croatia in illegal arms trade and trafficking of nuclear substances and technologies not only violates Security Council resolution 713 (1991), but poses a direct threat to international peace and security. In the light of all the information that indicates that the ongoing operations are continuing and expanding unimpeded, urgent action is more than necessary.